

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

REVIEW OF CALCULATION OF COMPETITIVE
PRODUCTS ASSUMED INCOME TAX, 2020

Docket No. T2021-1

NOTICE OF THE UNITED STATES POSTAL SERVICE OF
SUBMISSION OF THE CALCULATION OF THE FY 2020 ASSUMED
FEDERAL INCOME TAX ON COMPETITIVE PRODUCTS
(January 14, 2021)

In accordance with 39 CFR § 3060.40(c), the Postal Service hereby gives notice of filing the attached material showing the calculation of the assumed Federal income tax on competitive products for FY 2020.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**Calculation of Assumed Federal Income Tax on Competitive Products Income
for the Fiscal Year ending September 30, 2020**

FY 2020 Competitive Products Income Before Tax

**Source: FY20 Competitive Products Income Statement (Docket ACR2020, USPS-FY20-39, PRC Form CP01)
(\$ in 000s)**

Revenue	
(1) Mail and Services Revenues	\$ 30,520,411
(2) Investment Income	-
(3) Total Competitive Products Revenue	30,520,411
Expenses	
(4) Volume Variable Costs	\$ 18,578,457
(5) Product Specific and Group Specific Costs	189,964
(6) Incremental Inframarginal Costs	658,233
(7) Total Competitive Products Attributable Cost	19,426,654
(8) Net Contribution Competitive Products Market Tests	-
(9) Net Income Before Institutional Cost Contribution	11,093,757
(10) Required Institutional Cost Contribution	3,166,742
(11) Net Income Before Tax	7,927,015

**Postal Service Competitive Products Fund
2020 Assumed Federal Income Tax**

Net Income (Loss) Before Tax	\$ 7,927,015
Temporary Timing Differences*	N/A
Permanent Differences**	\$0
Taxable Income	\$ 7,927,015
Tax Calculation =	
Tax on \$7,927,015,000 @ 21%	
Assumed Federal Income Tax to be transferred to the Postal Service Fund	\$ 1,664,673

**Instructions for Form 1120
U.S. Corporation Income Tax Return**

Schedule J. Tax Computation and Payment

Part I—Tax Computation

Line 2

Multiply taxable income (page 1, line 30) by 21%. Enter this amount on line 2.

* Per PRC Order 106 -- Section IV (Calculation of Assumed Federal Income Tax)

** Permanent differences (including Meals and Entertainment) are not material and are excluded